

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

MERRILL LYNCH BUSINESS FINANCIAL  
SERVICES INC.,

Plaintiff,

-against-

BROOK-ISLAND MEDICAL ASSOCIATES, P.C.,  
CHITTOOR S. GOVINDARAJ, DEEPAK VADHAN,  
CHALTA V.R. REDDY, and  
"JOHN DOE #1" THROUGH "JOHN DOE #12",  
the last twelve names being fictitious and unknown to  
plaintiff, being person having or claiming an interest  
in or lien upon the Collateral described in the complaint,

Defendants.

9/5/07  
Adopted without ob-  
jections or qualifications  
for order  
06 CV 5912 (RJD)(KAM)  
s/ Judge Raymond J. Dearie  
REPORT AND  
RECOMMENDATION

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**MATSUMOTO, United States Magistrate Judge:**

By order dated February 28, 2007, the Honorable Chief Judge Dearie referred this matter, pursuant to 28 U.S.C. § 636(b)(1), to the undersigned for an inquest on damages following a motion by plaintiff for the entry of default against defendants Chalta V.R. Reddy ("Reddy") and Deepak Vadhan ("Vadhan") for allegedly defaulting on a loan guaranty. The Clerk of the Court noted the default of Reddy and Vadhan on January 9, 2007. In support of its damages claim and motion for entry of a default judgment, plaintiff submitted the declaration of Edmond J. Blough, dated May 29, 2007 (doc. no. 22 ("Blough Decl.")), a supplementary declaration of Edmond J. Blough, dated June 27, 2007 (doc. no. 32 ("Suppl. Blough Decl.")), the declaration of Spencer L. Schneider, Esq., dated May 2007 (doc. no. 23 ("Schneider Decl.")),

recommended that plaintiff's request for \$2,283.33 in attorney fees, for 9.133 hours of work, at a rate of \$250 per hour, be granted against defendants Vadhan and Reddy.

Therefore, as set forth the in Supplemental Blough Declaration, with respect to the unpaid principal, interest, late and line fees and attorneys' fees under the Loan Agreement, the plaintiff is entitled to \$539,582.37 against defendant Vadhan, as of the date this order is entered, as follows:

<b>Principal</b> .....	\$495,354.10
(through June 1, 2007)	
<b>Interest</b> .....	\$3,477.39
(through June 27, 2007)	
<b>Late Fees</b> .....	\$24,413.80
<b>Line Fee</b> .....	\$7500
<b>Per diem interest as of 8/16/07</b> .....	\$6553.75 (133.75/day between June 28, 2007 and the date of this order, and continuing at that rate until judgment is entered)
<b>Attorneys' Fees</b> .....	\$2,283.33
<b>TOTAL:</b>	\$539,582.37 (plus interest until judgment is entered)

As against defendant Reddy, the plaintiff is entitled to \$102,283.33, calculated as follows:

<b>Principal</b> .....	\$100,000
(through June 1, 2007)	
<b>Attorneys' Fees</b> .....	\$2,283.33
<b>TOTAL:</b>	\$102,283.33

### CONCLUSION

For the reasons stated above, it is respectfully recommended that a judgment be entered against Vadhan in the sum of \$539,582.37, inclusive of \$495,354.10 in principal, \$10,031.14 in interest as of August 16, 2007, \$24,413.80 in late fees, \$7,500 in line fees, and \$2,283.33 in attorney's fees. The court also respectfully recommends that the court award

interest against Vadhan at the rate of \$133.75 per day from August 16, 2007 until the date judgment is entered, after which interest shall accrue at the rate provided by law. As to Reddy, the court respectfully recommends that judgment be entered against him in the sum of \$102,283.33, inclusive of \$100,000 in principal and \$2,283.33 in attorney fees.

Any objections to this Report and Recommendation must be filed with United States Chief District Judge Raymond J. Dearie within ten days of the date of its entry. Failure to object within ten days of the date of entry of this Report and Recommendation will preclude appellate review by the District Court. See 28 U.S.C. § 636(b)(1); E.D.N.Y. Local Civil Rule 6.3; Thomas v. Arn, 474 U.S. 140 (1985); Small v. Secretary of Health and Human Servs., 892 F.2d 15 (2d Cir. 1989). Any requests for extension of time to file objections should be made to Chief Judge Dearie.

Plaintiff shall serve, by hand or overnight delivery, a copy of this Report and Recommendation on defendants Vadhan and Reddy, and file affidavits of service, no later than August 17, 2007.

**SO ORDERED.**

Dated: August 16, 2007  
Brooklyn, New York

/s/  
**Kiyo A. Matsumoto**  
United States Magistrate Judge  
Eastern District of New York